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1. In late July the Hsin I (信誼) Company, Wing Lok Street, Hong Kong, bought 40,000 burlap bags from India. On 25 August these bags were sent to Macao on the YUNG YUAN (永源), and were forwarded to Canton on 27 and 28 August. K'UNG Chao-ch'eng (孔昭成), personal secretary to HUANG Sen¹, is head of the Hsin I Company.

2. During August 1951, despite the United Nations embargo, more than 200 tons of rubber tires, gasoline, rubber, medicines, hardware and industrial materials were smuggled to Communist China from Hong Kong, through the collusion of the Hong Kong police with the smugglers. One overland route is by truck from Un Long (114-01, 22-27) to the highway from P'inghu (114-08, 22-41) to Polo (114-17, 23-09).²

3. During July 1951 vehicles were allowed to operate between Lashio and Yunnan every Tuesday and Friday³, and merchants with licenses were permitted to pass the border. However, the Burmese Government had issued strict orders to implement the United Nations embargo on strategic goods to Communist China. Automobiles and merchants are required to register at barriers maintained jointly by Customs and the military police in Myitkyina, Bhamo, Muse (97-54, 24-00) and Mabein (96-36, 23-29). Smuggling is widespread, for the border area is wide, with few troops garrisoned there. In June 500 sets of tires were to have been smuggled into Yunnan on 100 horses, but were detained by the Burmese Government at Autkai (97-56, 23-27).

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